GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:3507
ANSWERED ON:08.08.2017
Edible Oil Trees/Crops
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Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether in order to meet the scarcity and demand for edible oils in the country, the Government has encouraged farmers to grow palm oil trees in the 1990s and if so, the details thereof;

(b) whether farmers are incurring heavy losses due to non-declaration of remunerative price for palm oil;

(c) if so, the reasons for not announcing remunerative price for palm oil and the other steps taken by the Government to save palm oil tree growers in the country;

(d) whether it is true that there is no scarcity for edible oils in the country at present due to development of various edible oil crops and if so, the details thereof; and

(e) whether the Government is not encouraging Palm oil tree growers in the country, if so, the details and the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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(a): Yes. In order to meet the scarcity and demand for edible oils in the country, the Government is encouraging the farmers to grow oil palm trees since 1991-92 through various centrally sponsored schemes namely, Oil Palm Development Programme (OPDP) from 1991-92 to 2003-04, Integrated Scheme for Oilseeds, Pulses, Oil Palm and Maize (ISOPOM)
from 2004-05 to 2013-14 and Oil Palm Area Expansion (OPAE) from 2011-12 to 2013-14. From 2014-15, National Mission on Oilseeds and Oil Palm (NMOOP) is being implemented in order to increase the production of edible oils. Mini Mission-II of NMOOP is dedicated to Oil Palm Area
Expansion and improving the productivity.

Under NMOOP, the financial assistance are provided to the farmers for purchasing of planting materials, maintenance of plantation during gestation period (4 years), inputs for intercropping during gestation period, installation of drip irrigation system, diesel pump-sets, bore wells and construction of vermi-compost units, etc. Besides, the training is provided to the farmers for oil palm cultivation practices and management through State Government and Indian Institute of Oil Palm Research (IIOPR) of ICAR, Pedavegi, Andhra Pradesh.

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(b) & (c): In order to provide remunerative price to the oil palm growers, Government of India has recommended a formula for fixation of prices of Fresh Fruit Bunches (FFBs) of oil palm in 2012. Respective State Government is fixing the prices of FFBs through Price Fixing Committee (PFC) constituted under the Chairmanship of Commissioner of Horticulture/Secretary (Agri) as per formula. However, in the event of fall of Crude Palm Oil (CPO) prices in the international market, Government is supporting price differences to the farmers under Market Intervention Scheme (MIS).

Besides remunerative price, from 2017-18 Government of India has increased the subsidy norms of major components like planting material, maintenance cost of existing plantation during gestation period (4 years), inputs for Inter-cropping during gestation period and borewell to motivate the farmers for oil palm cultivation in the country.

(d): Domestic consumption of edible oils has touched the level of more than 23.48 million ton in 2015-16 and is likely to increase further with enhancement in income. The production
of domestic edible oils (8.63 million tonnes in 2015-16) both from primary and secondary sources has not been able to keep pace with the growth in consumption. The gap between
production and consumption is being met through huge imports of 14.85 million ton (2015-16). The details of demand, supply and import of edible oils in the country during last 4 years is given below:

(Million ton)

Years	Demand	Supply	
		Domestic source	Import
2012-13	19.82	9.22	10.60
2013-14	21.17	10.19	10.98
2014-15	23.06	9.21	13.85
2015-16	23.48	8.63	14.85

(e): Doesn"t arise.

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